GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2885
ANSWERED ON:22.08.2006
EXPORT OF DIAMONDS .
Singh Shri Dushyant

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) The details of export of both cut and polished diamonds from the country during each of the last three years and the current year alongwith foreign exchange earned therefrom, country-wise;

(b) Whether there is a vast scope to promote the export of diamond from Rajasthan and Gujarat; and

(c) If so, the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) As per latest available figures, details of export of cut and polished diamonds (HS Code 71023990 and 71023910) from the country during 2003-04, 2004-05 and 2005-06 (April-December) alongwith foreign exchange earned therefrom, country-wise are given below: -

(In Million US $)

Country	2003-04	2004-05	2005-06(April-December)
USA	2522.42	2455.40	1888.68
UAE	791.79	1429.46	656.43
Hong Kong	2261.27	2604.83	2238.57
Belgium	1014.34	1214.49	889.36
Singapore	138.90	515.03	1165.13
Israel	470.31	675.86	531.46
Japan	328.04	453.40	313.34
Thailand	175.48	254.87	189.91
U.K.	77.18	58.27	50.59
Switzerland	123.08	133.03	87.25
Germany	32.88	43.17	31.11
Australia	47.03	56.29	40.51
Italy	17.1	18.45	9.45
Others	626.45	219.86	135.24
Total	8626.27	10132.41	8227.03

(Source: Export-Import Data Bank, Department of Commerce)

(b) & (c) As per Gem and Jewellery Export promotion Council (GJEPC), a representative body of the trade, diamond cutting and polishing industry is mainly concentrated in the State of Gujarat and there is limited diamond processing activity in the State of Rajasthan.

Export of Gem & Jewellery, incuding cut and polished diamonds, has been identified as a thrust sector in the Foreign Trade Policy effective from 1st September 2004. In the Foreign Trade Policy updated as on 7th April 2006, following facilities have been extended to this sector:

(i) Import of gold of 8k and above has been allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content.

(ii) Duty Free import entitlement of consumables for metals other than Gold, Platinum to be 2% of FOB value of exports during the previous financial year.

(iii) Duty free import entitlement of commercial samples to be Rs.300,000.

(iv) Duty free re-import entitlement for rejected jewellery to be 2% of the FOB value of exports.

(v) Cutting and polishing of gems and jewellery, to be treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

(vi) Import of precious metal scrap / used jewellery has been allowed for melting, refining and re-export of jewellery. However, such import will not be allowed through hand baggage.

(vii) Gem & Jewellery exporters have been allowed to export jewellery on consignment basis as per Rules.

(viii) Gem & Jewellery exporters have been allowed to export cut and polished precious and semi-precious stones for treatment and re-import as per Rules.

(ix) To boost export of plain gold / platinum / silver jewellery, articles and ornaments and enhance their international competitiveness, the value addition norms for such items has been reduced from 7% to 4.5%.

Some other facilities extended to the Gem & Jewellery export sector are encouraging creation of training infrastructure to impart skills in jewellery designing, participation of Gem and Jewellery exporters in international fairs and buyer-seller meets abroad etc. under various Schemes of the Department of Commerce. The above-mentioned steps promote the export of Gem and Jewellery products from the country, including Gujarat and Rajasthan.